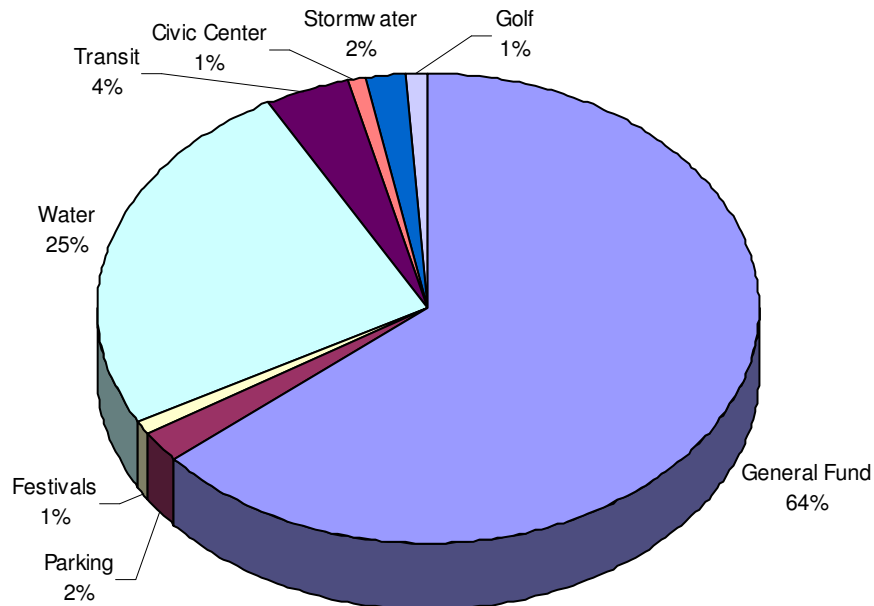


## FUND SUMMARY

<b><u>FUNDS</u></b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Service Areas	Actual	Actual	Budget	Adopted
<b><u>GENERAL FUND</u></b>				
Public Safety	28,382,296	31,016,726	33,667,649	<b>36,702,805</b>
Environment & Transportation	13,804,522	14,255,712	15,848,393	<b>16,196,875</b>
General Government	11,145,590	12,329,032	12,893,601	<b>12,941,597</b>
Culture & Recreation	8,967,850	9,067,464	9,878,908	<b>10,510,953</b>
Capital Reserve Funding	3,777,926	5,174,287	6,285,135	<b>1,528,500</b>
General Debt Service	4,761,315	5,521,189	6,206,480	<b>5,709,822</b>
Community Development	<u>4,066,082</u>	<u>4,370,771</u>	<u>5,526,126</u>	<u><b>5,355,000</b></u>
<b>Total General Fund</b>	<b>74,905,581</b>	<b>81,735,181</b>	<b>90,306,292</b>	<b>88,945,552</b>
<b><u>ENTERPRISE FUNDS</u></b>				
Environment & Transportation	29,600,155	38,541,842	41,946,631	<b>47,170,452</b>
Culture & Recreation	<u>3,997,607</u>	<u>4,236,668</u>	<u>4,193,126</u>	<u><b>4,375,796</b></u>
<b>Total Enterprise Funds</b>	<b>33,597,762</b>	<b>42,778,510</b>	<b>46,139,757</b>	<b>51,546,248</b>
<b>TOTAL BUDGET</b>	<b>108,503,343</b>	<b>124,513,691</b>	<b>136,446,049</b>	<b>140,491,800</b>
<b>Less: Interfund Transactions</b>	<b>(4,108,948)</b>	<b>(4,406,566)</b>	<b>(4,961,148)</b>	<b>(5,005,043)</b>
<b>NET BUDGET</b>	<u><b>104,394,395</b></u>	<u><b>120,107,125</b></u>	<u><b>131,484,901</b></u>	<u><b>135,486,757</b></u>

### FY 2008-09 EXPENDITURES BY FUND TOTAL: \$135,486,757



# GENERAL FUND SUMMARY

## **Revenues:**

	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Adopted</b>
Property Taxes	36,874,015	41,265,168	42,308,832	<b>43,437,175</b>
Intergovernmental	8,780,411	9,441,851	10,406,624	<b>10,829,149</b>
Local Option Sales Tax	16,106,644	17,399,164	17,116,370	<b>17,592,167</b>
Other Taxes	308,368	320,916	300,000	<b>330,000</b>
Charges For Service	9,192,295	9,775,592	9,394,820	<b>10,413,281</b>
Licenses & Permits	4,948,489	5,877,789	4,344,166	<b>5,026,280</b>
Investment Earnings	1,776,420	1,660,801	1,014,000	<b>1,014,000</b>
Miscellaneous	1,816,211	594,084	269,550	<b>303,500</b>
<b>Subtotal</b>	<b>79,802,856</b>	<b>86,335,365</b>	<b>85,154,362</b>	<b>88,945,552</b>
Appropriated Fund Bal.	--	--	5,151,930	<b>0</b>
<b>Total Revenues</b>	<b>79,802,856</b>	<b>86,335,365</b>	<b>90,306,292</b>	<b>88,945,552</b>

## **Appropriations:**

	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Adopted</b>
Police	14,804,354	16,251,889	17,917,119	<b>19,712,616</b>
Fire & Rescue	13,102,709	14,450,624	15,407,781	<b>16,613,560</b>
Public Works	9,953,850	10,202,154	11,421,816	<b>12,078,348</b>
Capital Reserve Funding	4,177,926	5,174,287	6,285,135	<b>1,528,500</b>
Debt Service	4,761,315	5,521,189	6,206,480	<b>5,709,822</b>
Parks, Recreation & Cult. Affairs	7,926,607	8,337,829	9,176,288	<b>9,857,088</b>
Finance	4,681,643	5,717,640	2,531,916	<b>2,642,397</b>
Information Technology	2,580,204	1,788,627	2,229,306	<b>2,302,182</b>
Nondepartmental	1,724,989	2,358,565	2,085,841	<b>1,813,809</b>
Building Safety	1,911,813	2,084,331	2,828,101	<b>2,595,832</b>
Legal Services	569,597	502,051	595,718	<b>624,864</b>
General Administration	1,481,262	1,780,402	2,217,765	<b>1,886,512</b>
Engineering	1,781,234	1,814,662	2,158,712	<b>1,600,030</b>
Street & Sidewalk Transfer	952,300	1,152,300	952,300	<b>952,300</b>
Planning & Development	1,306,992	1,509,865	1,804,830	<b>1,880,068</b>
Transit Fund Transfer	1,117,138	1,046,596	1,275,565	<b>1,566,197</b>
Civic Center Fund Subsidy	374,423	413,340	431,198	<b>397,989</b>
Golf Fund Subsidy	73,714	0	0	<b>75,701</b>
Festivals Fund Subsidy	100,000	0	253,922	<b>162,675</b>
Human Resources	923,511	1,028,830	1,501,499	<b>1,545,062</b>
Health Care (Employee Contr.)	**	**	2,425,000	<b>2,800,000</b>
Housing Trust Fund Transfer	600,000	600,000	600,000	<b>600,000</b>
<b>Total Appropriations</b>	<b>74,905,581</b>	<b>81,735,181</b>	<b>90,306,292</b>	<b>88,945,552</b>

\*\* Accounted for in the Finance Department prior to FY 2007-08.

## GENERAL FUND EXPENDITURES

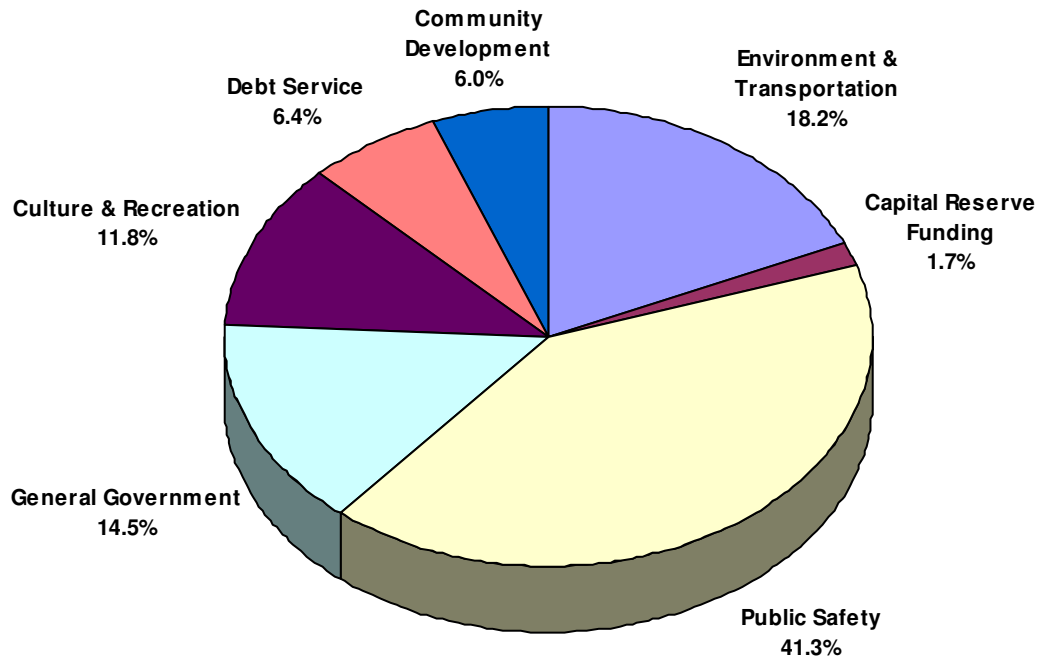
<b><u>Service Areas</u></b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Adopted</b>
Public Safety	28,382,296	31,016,726	33,667,649	36,702,805
Environment & Transportation	13,804,522	14,255,712	15,848,393	16,196,875
General Government	11,145,590	12,329,032	12,893,601	12,941,597
Culture & Recreation	8,967,850	9,067,464	9,878,908	10,510,953
Capital Reserve Funding	3,777,926	5,174,287	6,285,135	1,528,500
Debt Service	4,761,315	5,521,189	6,206,480	5,709,822
Community Development	<u>4,066,082</u>	<u>4,370,771</u>	<u>5,526,126</u>	<u>5,355,000</u>
<b>Total General Fund</b>	<u><b>74,905,581</b></u>	<u><b>81,735,181</b></u>	<u><b>90,306,292</b></u>	<u><b>88,945,552</b></u>

## BUDGET HIGHLIGHTS

- The FY 2008-09 budget includes general fund expenditures that are 1.5% less the FY 2007-08 budget. However, when you subtract out the \$5.1 million in one-time expenses that were funded with fund balance in FY 2007-08, the general fund budget shows a 4.3% increase.
- Public Safety is the largest general fund service area, accounting for 41% of all general fund expenditures. Expenditures in this service area show a 9.0% increase in FY 2008-09. As with other service areas in the general fund that are personnel-intensive, most of this increase is due to higher employee health costs. The budget includes six additional firefighter positions which will allow the Fire & Rescue Department to reduce the amount that is spent on overtime. Public Safety personnel costs are also increasing due to market adjustments and step plan increases. The Police operating budget includes a \$165,000 increase in the City's payment to the County for its share of the Criminal Justice Information System (CJIS), and the Fire operating budget includes \$119,000 to pay the County for 911 emergency dispatch services.
- Environment & Transportation is the second largest service area in the general fund, representing 18% of the FY 2008-09 general fund budget. The budget for this service area shows a 2.2% increase. Personnel costs were held down in this service area through the elimination of five positions in Public Works and one position in the Transportation and Engineering Department. The budget also reflects the decision to begin charging the Parking and Stormwater Funds a portion of the General Fund Engineering Department's personnel costs in order to capture the time that staff devotes to these Enterprise Fund functions. For example, 25% of the Department Director's and administrative staff's costs will now be charged to the Parking Fund to reflect time spent on parking issues. In addition, a greater share of construction inspectors' costs will be charged to Stormwater to better capture time the portion of their workload in stormwater. Also, one grant supported position in the Transportation and Engineering Department was moved from the General Fund to the Transit Fund.
- The Community Development service area shows a 3.1% decrease due to the removal of significant one-time costs for demolition expenses (\$353,000) and development of the affordable housing plan (\$50,000).
- Expenditures in the General Government service area are remaining flat. This is partly due to removal of \$290,000 in one-time funding for the downtown master plan update. However, expenses were also held down through the elimination of four positions in the General Government area.
- The Culture & Recreation budget shows a 6.4% increase. As with Public Safety, most of this increase is due to higher employee health care costs and market adjustments. Operating costs were kept flat.

# GENERAL FUND EXPENDITURES

## CITY OF ASHEVILLE FY 2008-09 GENERAL FUND EXPENDITURES BY SERVICE AREA TOTAL \$88,945,552

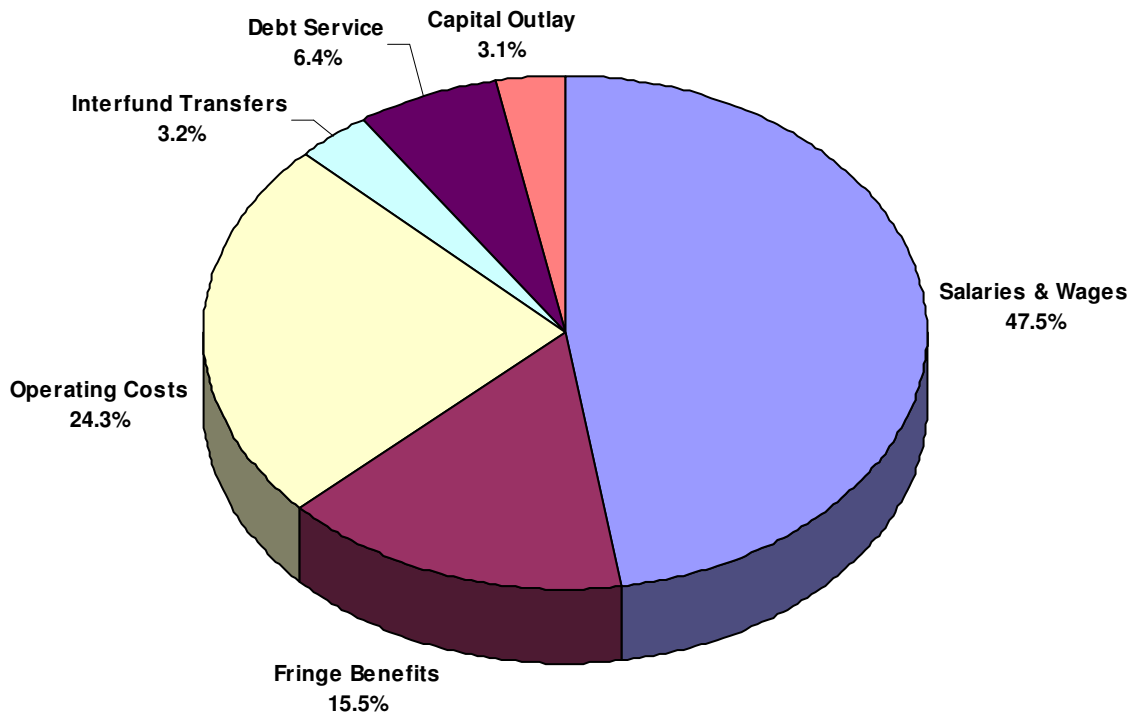


### Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Public Safety	33,667,649	36,702,805	3,035,156	9.0%
Environment & Transportation	15,848,393	16,196,875	348,482	2.2%
General Government	12,893,601	12,941,597	47,996	0.4%
Culture & Recreation	9,878,908	10,510,953	632,045	6.4%
Capital Reserve Funding	6,285,135	1,528,500	(4,756,635)	-75.7%
Debt Service	6,206,480	5,709,822	(496,658)	-8.0%
Community Development	<u>5,526,126</u>	<u>5,355,000</u>	<u>(171,126)</u>	<u>-3.1%</u>
<b>Total General Fund Expenditures</b>	<u>90,306,292</u>	<u>88,945,552</u>	<u>(1,360,740)</u>	<u>-1.5%</u>

# GENERAL FUND EXPENDITURES

## CITY OF ASHEVILLE FY 2008-09 GENERAL FUND EXPENDITURES BY CATEGORY TOTAL \$88,945,552



### Budget-to-Budget Expenditure Comparison

<u>Expense Category:</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	39,913,418	42,242,338	2,328,920	5.8%
Fringe Benefits	12,190,624	13,734,183	1,543,559	12.7%
Operating Costs	21,754,318	21,704,484	(49,834)	-0.2%
Interfund Transfers	2,560,685	2,802,562	241,877	9.4%
Debt Service	6,206,480	5,709,822	(496,658)	-8.0%
Capital Outlay	7,680,767	2,752,163	(4,928,604)	-64.2%
<b>Total General Fund Expenditures</b>	<b>90,306,292</b>	<b>88,945,552</b>	<b>(1,360,740)</b>	<b>-1.5%</b>

# GENERAL FUND EXPENDITURES

## **GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY**

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
Salaries & Wages	34,250,739	36,318,446	39,913,418	42,242,338
Fringe Benefits	10,500,310	10,922,417	12,190,624	13,734,183
Operating Costs	17,502,626	19,258,152	21,754,318	21,704,484
Interfund Transfers	2,265,275	2,059,936	2,560,685	2,802,562
Debt Service	4,761,315	5,521,189	6,206,480	5,709,822
Capital Outlay	<u>5,625,316</u>	<u>7,655,041</u>	<u>7,680,767</u>	<u>2,752,163</u>
<b>TOTAL</b>	<u><b>74,905,581</b></u>	<u><b>81,735,181</b></u>	<u><b>90,306,292</b></u>	<u><b>88,945,552</b></u>

## BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits constitute 63% of the FY 2008-09 general fund budget. The personnel budget includes a 3% average merit pay increase for City employees and funding for the third year of the market-based compensation plan and the public safety step plan. The fringe benefit budget includes a \$1.3 million increase in the general fund's contribution to the employee health care program. Personnel cost increases were held down through the elimination of ten FTE positions in the general fund.
- The budget for operating costs is remaining flat in FY 2008-09. Departments were able to maintain flat operating budgets by removing one-time costs from their budgets and by reducing items such as training & travel and professional services. This achievement occurred despite significant inflation in a number of key areas, such as fuel and materials cost for asphalt and concrete. For example, fuel costs are currently 54% higher than at this point in the prior fiscal year. One way the City is managing this increase in fleet costs is by "right-sizing" our fleet and eliminating under-utilized vehicles.
- General fund debt service shows a net decrease of \$500,000. The City is paying off approximately \$1.0 million in debt in FY 2007-08. However, the City will issue around \$500,000 in new debt in FY 2008-09 to fund \$1.8 million in vehicle replacement. The City will take advantage of lower interest rates to finance all of the vehicle replacements that are budgeted in the general fund in FY 2008-09.
- \$2.8 million is budgeted for the direct purchase of capital in FY 2008-09, which represents a significant reduction from the prior year. The FY 2007-08 budget included a \$3.8 million one-time appropriation from fund balance for capital. Factoring out this one-time funding, the ongoing budget for capital shows a \$1.1 million decrease. Part of this decrease is due to the fact that departmental small capital budgets were reduced by 50% in order to help balance the general fund budget.
- Interfund transfers are budgeted to increase by a net amount of \$242,000. The general fund subsidy to the Transit Fund is showing a \$290,000 increase. With transit grant revenue remaining flat and operating costs increasing, a larger general fund subsidy is required to balance the Transit Fund budget. A general fund subsidy of \$75,000 is also required to balance the Golf Fund budget in FY 2008-09. The subsidies to the Civic Center and Festivals funds are decreasing in FY 2008-09.

# GENERAL FUND EXPENDITURES

<b><u>Department</u></b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Division</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b><u>Police</u></b>				
Patrol Bureau	9,198,282	9,578,763	10,383,760	11,432,988
Support Bureau	1,854,976	2,701,427	3,289,556	3,637,462
Criminal Investigation	2,200,759	2,278,281	2,371,083	2,654,261
Administration	1,550,337	1,693,418	1,872,720	1,987,905
Subtotal Police	14,804,354	16,251,889	17,917,119	19,712,616
<b><u>Fire &amp; Rescue</u></b>				
Emergency Response	10,630,790	11,690,391	12,747,060	13,784,740
Accountability/Administration	1,603,880	1,871,825	1,876,973	1,968,202
Fire Marshal's Office	868,039	888,408	783,748	860,618
Subtotal Fire	13,102,709	14,450,624	15,407,781	16,613,560
<b><u>Public Works</u></b>				
Sanitation	3,015,315	3,027,586	3,406,300	3,688,037
Street Maintenance	2,814,197	2,796,689	3,484,972	3,472,925
Street Lighting	1,486,908	1,502,062	1,577,369	1,580,000
Administration	998,792	1,009,492	1,112,976	1,076,203
Recycling	656,651	670,179	707,351	756,529
Fleet Maintenance	782,172	956,471	880,278	1,241,615
Signs & Markings	199,815	239,675	252,570	263,039
Subtotal Public Works	9,953,850	10,202,154	11,421,816	12,078,348
<b><u>Parks, Recreation, &amp; Cultural Affairs</u></b>				
Recreation Programs	2,077,816	2,214,588	2,437,551	2,623,907
Park Maintenance	2,024,594	2,200,689	2,153,734	2,370,486
Administration	621,125	677,540	943,829	801,308
After School Programs	245,844	250,339	268,623	306,022
Athletics	652,498	666,587	685,720	759,127
Building Maintenance	490,234	503,316	546,549	566,655
Cultural Affairs	228,618	201,465	153,470	338,414
Nature Center	817,709	857,538	1,061,503	1,073,242
McCormick Field	179,973	195,382	195,647	209,501
Recreation Park	84,913	88,396	120,200	173,422
Aston Park	180,778	210,598	254,143	233,353
City Hall Operations	131,716	84,931	151,608	186,292
Riverside Cemetery	190,646	186,460	203,711	215,359
Subtotal Parks & Recreation	7,926,464	8,337,829	9,176,288	9,857,088
<b><u>Building Safety</u></b>	1,911,813	2,084,331	2,828,101	2,595,832

# GENERAL FUND EXPENDITURES

<b><u>Department</u></b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Division	Actual	Actual	Budget	Adopted
<b><u>Finance</u></b>				
Accounting	1,100,177	1,210,278	1,264,800	1,252,193
Administration	251,245	328,214	350,999	368,801
Purchasing	309,369	246,480	311,517	372,518
Group Health	2,481,191	3,884,361	-	-
Workers Compensation	(104,596)	(392,242)	-	-
Insurance & Bonds	182,674	(28,680)	-	-
Budget & Research	184,218	124,209	197,883	220,385
Risk Management Admin.	211,366	237,109	263,267	272,473
Print Shop	22,207	20,158	-	-
Police Separation Allowance	(27,272)	(23,774)	-	-
Police/Fire Disability	(23,120)	(29,767)	-	-
Central Stores	138,236	141,294	143,449	156,027
Subtotal Finance	4,681,643	5,717,640	2,531,916	2,642,397
<b><u>General Administration</u></b>				
City Manager	491,533	580,311	599,354	582,221
Community Oriented Government	329,630	461,567	368,601	476,116
Governing Body	159,976	171,575	184,760	193,193
Economic Development	392,603	477,384	933,396	539,616
City Clerk	107,520	89,565	131,654	95,366
Subtotal General Admin.	1,481,262	1,780,402	2,217,765	1,886,512
<b><u>Planning &amp; Development</u></b>				
Planning Services	1,225,735	1,417,836	1,660,074	1,657,273
City Development	6,514	11,725	-	-
Historic Resources	74,743	80,304	84,506	142,540
Homeless Program	-	-	60,250	80,255
Subtotal Planning & Dev.	1,306,992	1,509,865	1,804,830	1,880,068
<b><u>Engineering</u></b>				
City Engineering	966,967	1,034,883	1,259,485	875,046
Transportation Services	290,606	264,445	293,056	273,636
Traffic Signal Maintenance	213,555	259,442	304,651	238,461
Transportation Planning	310,106	255,892	301,520	209,312
Transportation Demand Mgmt.	-	-	-	3,575
Subtotal Engineering	1,781,234	1,814,662	2,158,712	1,600,030
<b><u>Legal Services</u></b>	569,597	502,051	595,718	624,864



# GENERAL FUND EXPENDITURES

<b><u>Department</u></b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Division	Actual	Actual	Budget	Adopted
<b><u>Human Resources</u></b>				
Human Resources	446,550	511,006	1,106,441	1,052,553
City Employment	76,973	79,882	-	-
Organizational Development	204,623	221,393	151,181	237,380
Health Services	195,365	216,549	243,877	255,129
Subtotal Human Resources	923,511	1,028,830	1,501,499	1,545,062
<b><u>Information Technology</u></b>				
Administration	-	-	-	222,986
Technical Services	-	-	-	1,081,332
GIS & Application Services	-	-	-	379,356
IT Support Services	2,580,204	1,788,627	2,229,306	618,508
Subtotal Information Technology	2,580,204	1,788,627	2,229,306	2,302,182
<b><u>Other Appropriations</u></b>				
Debt Service	4,761,315	5,521,189	6,206,480	5,709,822
Capital Reserve Funding	4,177,926	5,174,287	6,285,135	1,528,500
Nondepartmental	1,724,989	2,358,565	2,085,841	1,813,809
Street & Sidewalk Fund Transfer	952,300	1,152,300	952,300	952,300
Transit Services Fund Transfer	1,117,138	1,046,596	1,275,565	1,566,197
Golf Fund Transfer	73,714	-	-	75,701
Festivals Fund Transfer	100,000	-	253,922	162,675
Civic Center Fund Transfer	374,423	413,340	431,198	397,989
Housing Trust Fund Transfer	600,000	600,000	600,000	600,000
Health Care (Employee Contr.)	-	-	2,425,000	2,800,000
Subtotal Other	13,881,805	16,266,277	20,515,441	15,606,993
<b>TOTAL APPROPRIATIONS</b>	<u>74,905,438</u>	<u>81,735,181</u>	<u>90,306,292</u>	<u>88,945,552</u>

## OUTSIDE AGENCY CONTRACTS

The City of Asheville contracts with numerous outside agencies that are working in the community to improve the quality of life in the Asheville area. Funding is provided through a nondepartmental account in the City's general fund. Outside agency contracts for FY 2008-09 are as follows.

<b>BUDGET SUMMARY</b>	<b>2007-08 Budget</b>	<b>2008-09 Adopted</b>
<b>Expenditures:</b>		
Visitors' Center	50,000	0
Community Relations Council	50,000	50,000
One Youth at a Time	7,000	7,000
YWCA	10,000	10,000
Kids Voting	1,000	1,000
AHOPE	20,000	20,000
United Way 211	5,000	5,000
A-B Education Coalition	10,000	0
Asheville Area Arts Council	12,500	12,500
Asheville Art Museum	5,000	5,000
Children First	22,500	22,500
Each One Reach One	0	10,000
Partners Unlimited	5,000	0
Quality Forward	10,000	10,000
The Media Arts Project	3,000	0
Meet the Geeks	3,000	3,000
Youthful Hand	5,000	5,000
Shiloh Community Assoc.	6,095	0
<b>TOTAL</b>	<u>225,095</u>	<u>161,000</u>

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### BUDGET HIGHLIGHTS

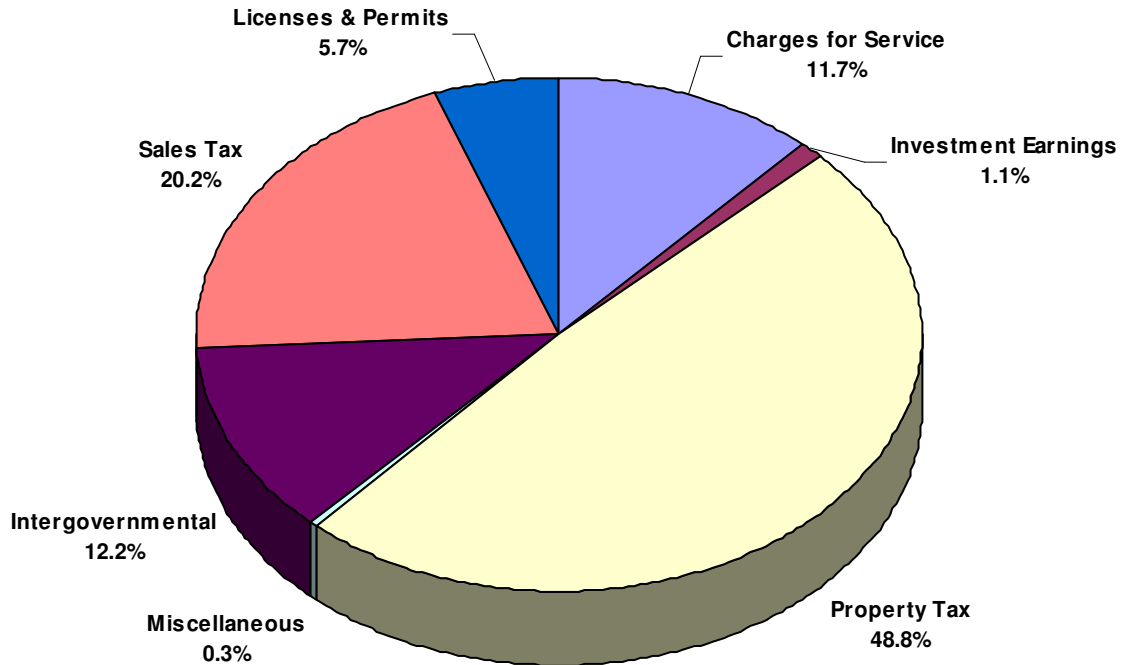
- The City has completed its funding commitment for the Chamber of Commerce's Visitors' Center so that payment is removed from the FY 2008-09 budget.
- During budget deliberations, City Council agreed to add \$10,000 in funding for Each One Reach One.
- Four agencies – AB Education Coalition, Partners Unlimited, Media Arts Project, and Shiloh Community Association – did not apply for funding in FY 2008-09.

## GENERAL FUND REVENUES

	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
<b><u>Taxes</u></b>				
Property Tax - Current Year	33,828,065	38,632,281	39,756,227	40,830,130
Local Option Sales Tax	16,106,644	17,399,164	17,116,370	17,592,167
Motor Vehicle Taxes	2,697,874	2,286,398	2,177,605	2,232,045
Property Tax - Prior Years	348,076	346,489	375,000	375,000
Other Taxes	308,368	320,916	300,000	330,000
<b>Total Taxes</b>	<b>51,593,472</b>	<b>58,985,248</b>	<b>59,725,202</b>	<b>61,359,342</b>
<b><u>Licenses &amp; Permits</u></b>				
Building Safety Fees	1,916,942	2,643,955	2,131,000	2,623,550
Cable Franchise Fees	871,148	803,967	6,346	200,000
Local Utility Franchise Tax	395,586	501,431	510,000	510,000
Business Privilege Licenses	745,900	1,040,814	1,100,000	1,100,000
Motor Vehicle Licenses	617,348	618,181	337,000	337,000
Other	401,565	269,441	259,820	255,730
<b>Total Licenses/Permits</b>	<b>4,948,489</b>	<b>5,877,789</b>	<b>4,344,166</b>	<b>5,026,280</b>
<b><u>Intergovernmental</u></b>				
State Utility Taxes	4,733,340	5,372,491	5,965,289	6,242,537
Powell Bill	2,326,644	2,282,069	2,407,200	2,659,885
County Law Enforcement	181,415	0	0	0
ABC Revenue	653,537	1,006,913	897,500	950,000
State Beer & Wine Taxes	323,492	330,717	325,000	335,000
Other	561,983	449,661	811,635	641,727
<b>Total Intergovernmental</b>	<b>8,780,411</b>	<b>9,441,851</b>	<b>10,406,624</b>	<b>10,829,149</b>
<b><u>Charges For Service</u></b>				
Internal Charges	2,367,665	2,571,356	2,627,495	2,415,865
Employee Insurance Contrib.	2,399,744	2,597,801	2,425,000	2,800,000
Parks & Recreation Fees	1,176,434	1,315,493	1,375,310	1,304,850
Recycling Charges	808,945	825,459	411,346	411,346
Fire Protection & Inspections	864,216	978,346	1,133,000	1,544,562
Outside Vehicle Repairs & Fuel	801,227	879,052	879,240	1,241,615
Other	774,064	608,085	543,429	695,043
<b>Total Charges for Service</b>	<b>9,192,295</b>	<b>9,775,592</b>	<b>9,394,820</b>	<b>10,413,281</b>
<b><u>Other</u></b>				
Miscellaneous	1,816,211	594,084	269,550	303,500
Investment Earnings	1,776,420	1,660,801	1,014,000	1,014,000
<b><u>App. Fund Balance</u></b>	<b>-</b>	<b>-</b>	<b>5,151,930</b>	<b>0</b>
<b>Total Revenues</b>	<b><u>79,802,856</u></b>	<b><u>86,335,365</u></b>	<b><u>90,306,292</u></b>	<b><u>88,945,552</u></b>

# GENERAL FUND REVENUES

## CITY OF ASHEVILLE FY 2008-09 GENERAL FUND REVENUES BY SOURCE TOTAL \$88,945,552

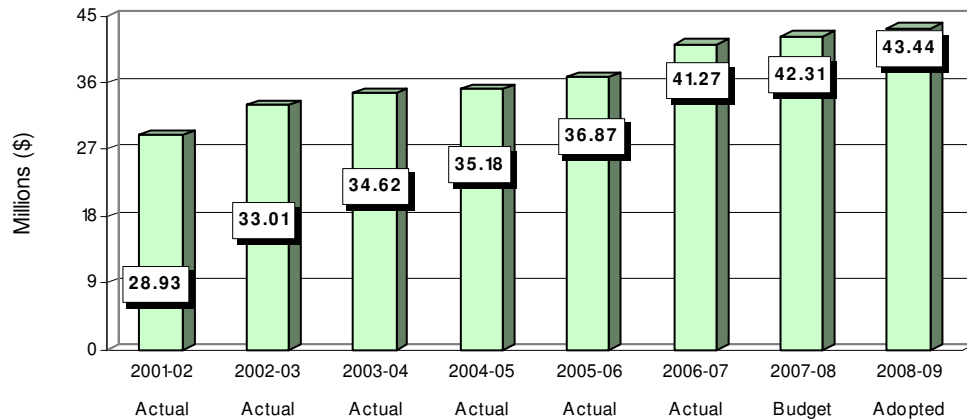


### Budget-to-Budget Revenue Comparison

<b><u>Revenue Sources:</u></b>	<b>2007-08</b>	<b>2008-09</b>	<b>Change From Prior Year</b>	
	<b><u>Budget</u></b>	<b><u>Adopted</u></b>	<b><u>in \$</u></b>	<b><u>in %</u></b>
Property Tax	42,308,832	43,437,175	1,128,343	2.7%
Intergovernmental	10,406,624	10,829,149	422,525	4.1%
Sales Taxes	17,116,370	17,592,167	475,797	2.8%
Other Taxes	300,000	330,000	30,000	10.0%
Charges For Service	9,394,820	10,413,281	1,018,461	10.8%
Licenses & Permits	4,344,166	5,026,280	682,114	15.7%
Investment Earnings	1,014,000	1,014,000	0	0.0%
Miscellaneous	269,550	303,500	33,950	12.6%
App. Fund Bal.	5,151,930	0	(5,151,930)	-100.0%
<b>Total General Fund Revenue</b>	<b>90,306,292</b>	<b>88,945,552</b>	<b>(1,360,740)</b>	<b>-1.5%</b>

# GENERAL FUND REVENUES

## PROPERTY TAXES



<u>Property Taxes</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Current Year	33,828,065	38,632,281	39,756,227	40,830,130
Registered Motor Vehicles	2,697,874	2,286,398	2,177,605	2,232,045
Prior Years	348,076	346,489	375,000	375,000
<b>Total Property Taxes</b>	<u>36,874,015</u>	<u>41,265,168</u>	<u>42,308,832</u>	<u>43,437,175</u>

### Trends & Assumptions

The Property or Ad Valorem Tax is the largest funding source for general government services, providing 49% of the City's total FY 2008-09 general fund revenue. The property tax is levied each year on the value of real, certain personal, and public service property that is listed as of January 1 of that year. Real property, which consists of residential, commercial, and industrial properties, is revalued every four years, while personal and utility values are adjusted annually. Real property makes up approximately 80% of the City's total tax base. The most recent revaluation was completed in 2005, and the new values become effective in FY 2006-07. The current tax rate is 42 cents per \$100 of assessed valuation, and staff is recommending no change in the rate for FY 2008-09.

Over the last ten years, the property tax base has grown by an average of 3.3% per year. In FY 2006-07, the City experienced a ten-year high growth rate of 5.5%. The growth rate returned to normal in FY 2007-08 as the tax base grew by 3.2%.

Based on estimates from the Buncombe County Tax Assessor, staff has budgeted a 2.5% growth in assessed value for FY 2008-09. In addition, the City will receive an estimated \$80,000 in property tax revenue from a recently resolved annexation challenge. Total growth in property tax revenue is budgeted at 2.7%.

# GENERAL FUND REVENUES

## ASSESSED VALUATION HISTORY

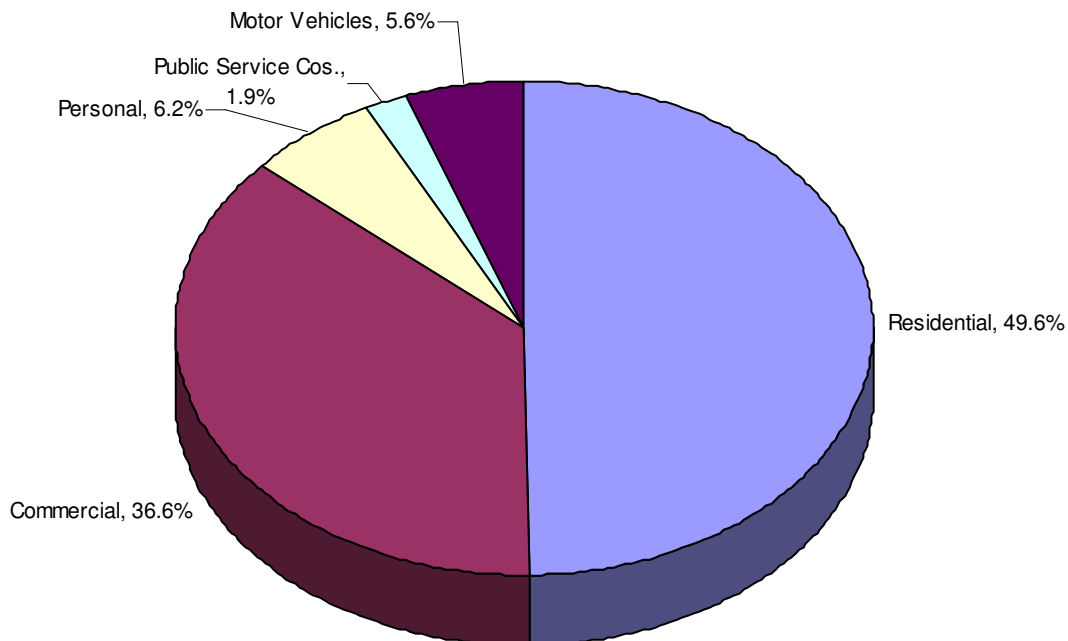
### Major Property Categories

(\$ in thousands)

	FY 2002-03**	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07**
<b>Residential</b>	\$2,940,284	\$3,083,292	\$3,169,846	\$3,284,605	\$4,867,777
Percent Change	29.3%	4.9%	2.8%	3.6%	48.2%
<b>Commercial</b>	\$2,155,124	\$2,197,518	\$2,280,227	\$2,309,749	\$3,598,231
Percent Change	28.2%	2.0%	3.8%	1.3%	55.8%
<b>Personal</b>	\$579,976	\$565,156	\$580,056	\$597,418	\$613,292
Percent Change	-1.2%	-2.6%	2.6%	3.0%	2.7%
<b>Public Service Companies</b>	\$158,102	\$158,730	\$162,514	\$165,360	\$189,426
Percent Change	-7.1%	0.4%	2.4%	1.8%	14.6%
<b>Motor Vehicles</b>	\$496,247	\$531,994	\$486,374	\$509,456	\$549,169
Percent Change	50.2%	7.2%	-8.6%	4.7%	7.8%
<b>TOTAL TAX BASE</b>	<b>\$6,329,733</b>	<b>\$6,536,690</b>	<b>\$6,679,017</b>	<b>\$6,866,588</b>	<b>\$9,817,895</b>
<b>Percent Change</b>	<b>21.5%</b>	<b>3.3%</b>	<b>2.2%</b>	<b>2.8%</b>	<b>43.0%</b>

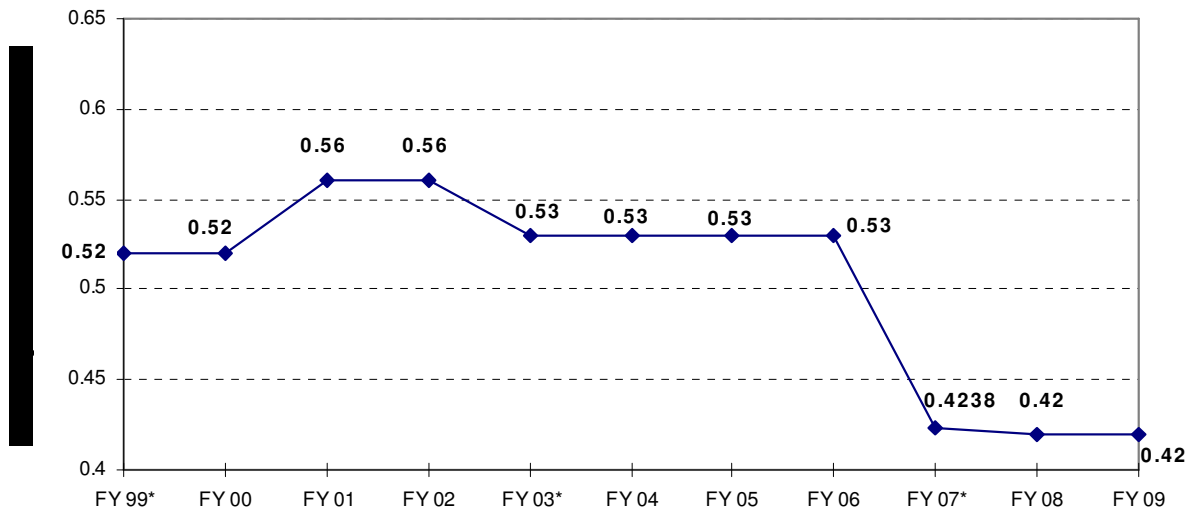
\*\*Revaluation years.

### City of Asheville FY 2006-07 Tax Base

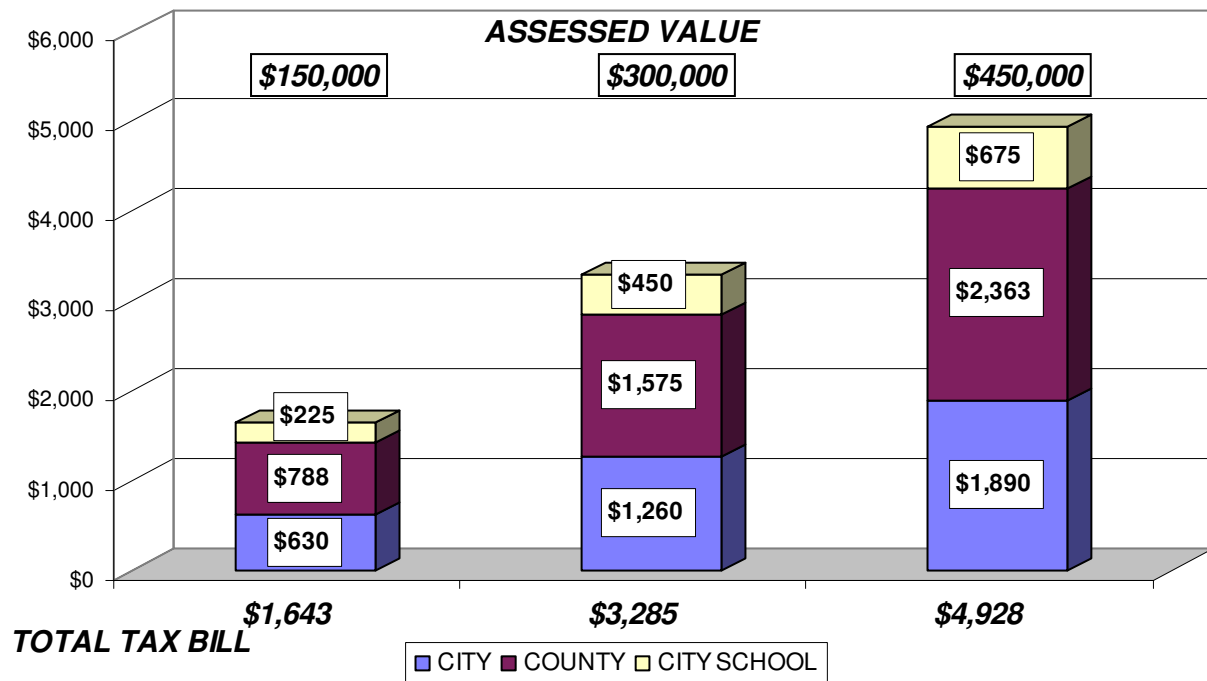


# GENERAL FUND REVENUES

## City of Asheville Tax Rate History



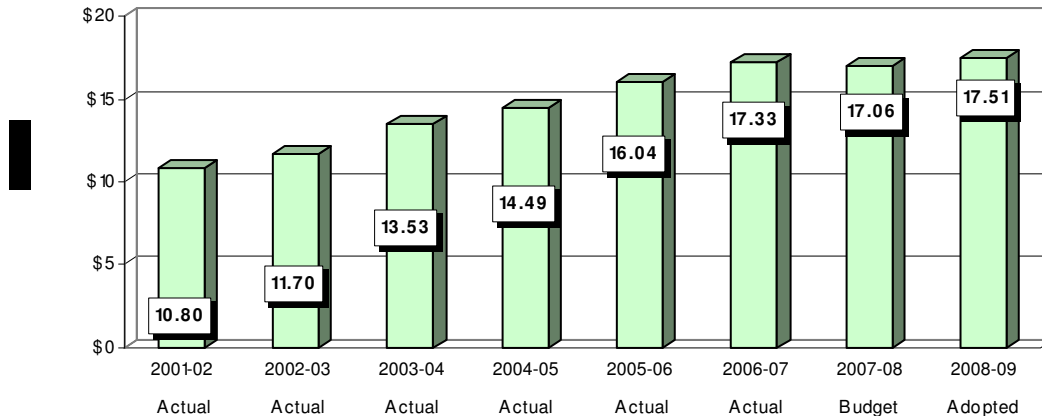
## FY 2008-09 Sample Tax Bill



Note: City tax rate: 42 cents per \$100 of assessed valuation  
 County tax rate: 52.5 cents per \$100 of assessed valuation  
 City School tax rate: 15 cents per \$100 of assessed valuation. Approximately 65% of City of Asheville residents pay the City School tax.

# GENERAL FUND REVENUES

## LOCAL OPTION SALES TAX



<u>Sales Tax Components</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
One Cent	7,607,367	8,096,194	8,485,835	8,690,410
Half Cent (83)	2,751,909	3,170,234	3,078,584	3,120,940
Half Cent (86)	2,719,832	3,049,729	2,828,328	2,953,178
Half Cent (02)	<u>2,963,949</u>	<u>3,009,987</u>	<u>2,668,623</u>	<u>2,748,680</u>
<b>Total Sales Tax</b>	16,106,644	17,326,144	17,061,370	17,513,208
<b>Percent Change</b>	10.69%	7.57%	-1.53%	2.65%

### Trends & Assumptions

Local option sales tax revenue is collected by the State of North Carolina and distributed back to counties and municipalities on a monthly basis.

Net proceeds from the one-cent sales tax are returned to the county in which the tax was collected. Under this point of sale distribution method, the City's revenue from the one-cent sales tax is dependent on retail sales activity in Buncombe County. Proceeds from the 83 and 86 half-cent sales taxes are placed in a statewide pool and allocated among all one hundred counties on a per capita basis. 83 and 86 half-cent sales tax revenue is thus dependent on retail sales activity statewide and on Buncombe County's population relative to other counties in the State.

During its 2002 session, the State Legislature gave counties the authority to levy an additional half-cent sales tax beginning in December of 2002. Revenue from this new half-cent (02) sales tax replaced local government reimbursement payments that were discontinued by the State. Proceeds from the 02 half-cent sales tax are distributed half per capita and half point of sale. In addition, the 02 half-cent sales tax does not apply to food purchased for home consumption.

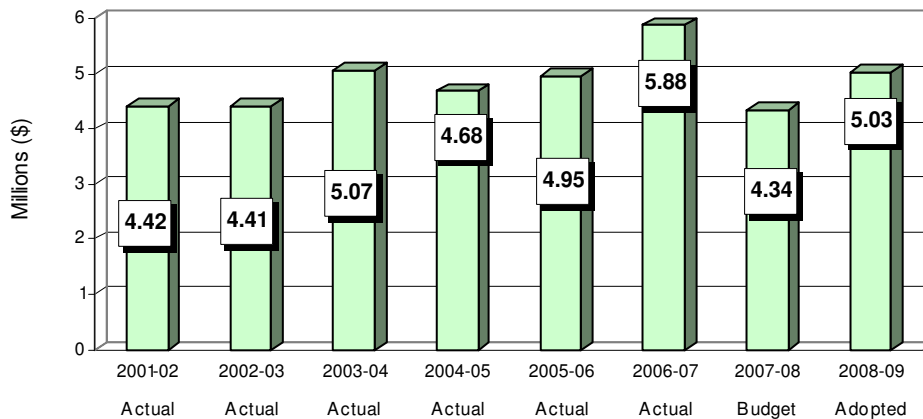
Buncombe County's sales tax revenue is divided between the County and the local municipalities based on each entity's share of the total county ad valorem tax levy. Based on this distribution formula, the City currently receives 19.88% of the sales tax revenue distributed to Buncombe County. The State recalculates this percentage each year to account for tax rate changes, annexations, revaluation, and natural growth in the tax base.

The City has experienced healthy sales tax growth in each of the last four years, with average growth over that time of 7.8%. The City has seen its sales tax growth slow in FY 2007-08 as a result of the sluggish economy. Sales taxes growth through the first seven months of FY 2007-08 was only 1.9%, and as a result, sales tax revenue is expected to come in under budget by \$300,000 in FY 2007-08. For FY 2008-09, the North Carolina League of Municipalities has forecasted that statewide sales tax growth will be 1-2%. Staff is projecting that local conditions will be slightly better than the statewide forecast, and has therefore budgeted a 2.7% increase in sales taxes for FY 2008-09. Including the Fire District Sales Tax revenue, the overall growth rate is 2.8%.



# GENERAL FUND REVENUES

## LICENSES & PERMITS



	2005-06	2006-07	2007-08	2008-09
<u>Licenses &amp; Permits</u>	Actual	Actual	Budget	Adopted
Building Safety Fees	1,916,942	2,643,955	2,131,000	2,623,550
Cable Franchise Fees	871,148	803,967	6,346	200,000
Local Utility Franchise Tax	395,586	501,431	510,000	510,000
Business Privilege Licenses	745,900	1,040,814	1,100,000	1,100,000
Motor Vehicle Licenses	617,348	618,181	337,000	337,000
Other	<u>401,565</u>	<u>269,441</u>	<u>259,820</u>	<u>255,730</u>
<b>Total Licenses &amp; Permits</b>	<b>4,948,489</b>	<b>5,877,789</b>	<b>4,344,166</b>	<b>5,026,280</b>
<b>Percent Change</b>	<b>5.81%</b>	<b>18.78%</b>	<b>-26.09%</b>	<b>15.70%</b>

### Trends & Assumptions

License & permit fees are generally used to offset the cost of regulating certain activities within the City. Some license and permit rates are set by the State, while others are set by City Council. Revenue from licenses & permits is influenced by local population growth, economic conditions, trends in development and re-development activity, and Council-approved fee changes.

**Building Safety Fees:** Included in this revenue for FY 2008-09 is \$200,000 from the new development technology fee which Council approved in April. Revenue from this fee will be transferred to the capital budget to provide funding for technology improvements which will enhance the development review process for our customers.

**Cable Franchise Fees & Local Utility Franchise Tax:** The State of North Carolina under the Video Services Bill now collects most of what used to be considered local cable franchise revenue and shares it with municipalities as a part of the state

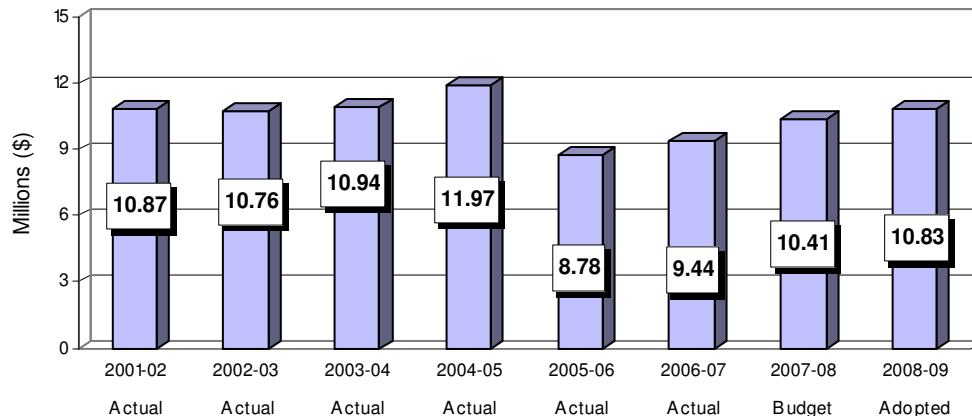
utility taxes. However, the City still receives some revenue for parts of our franchise agreement not covered under the State law. Revenue from the local utility franchise tax on electricity and gas is expected to remain flat.

**Motor Vehicle Licenses:** The City levies an annual registration fee of \$10 on all motor vehicles owned by City residents. In prior years, all of this money was collected in the General Fund and half of the revenue was transferred to the Transit Services Fund to support the operational and capital needs of the City's transit system. Beginning in 2007-08, this revenue was split with half going into each fund. No growth is expected in FY 2008-09.

**Business Privilege Licenses:** The City levies a privilege license fee on certain businesses operating within the City of Asheville. Based on prior collections, no increase is budgeted for FY 2008-09.

# GENERAL FUND REVENUES

## INTERGOVERNMENTAL REVENUE



<u>Intergovernmental</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
State Utility Taxes	4,733,340	5,372,491	5,965,289	6,242,537
Powell Bill	2,326,644	2,282,069	2,407,200	2,659,885
County Law Enforcement	181,415	0	0	0
ABC Revenue	653,537	1,006,913	897,500	950,000
State Beer & Wine Tax	323,492	330,717	325,000	335,000
Other	561,983	449,661	811,635	641,727
<b>Total Unrestricted Intergov.</b>	<b>8,780,411</b>	<b>9,441,851</b>	<b>10,406,624</b>	<b>10,829,149</b>
<b>Percent Change</b>	<b>-26.62%</b>	<b>7.53%</b>	<b>10.22%</b>	<b>4.06%</b>

### Trends & Assumptions

Intergovernmental revenue includes grants, shared revenues, and reimbursements received by the City of Asheville from other governmental units.

**State Utility Taxes:** The State levies the following utility taxes: a franchise tax on electricity, a sales tax on telecommunications and video services, and an excise tax on piped natural gas. The State then shares a portion of these revenues with municipalities based on sales and consumption within each city.

This revenue source is influenced by the economy, local weather conditions, population growth, annexations, and any changes in local utility rates. Annual growth in this revenue over the last five fiscal years has averaged 5.0%. Based on this trend and forecasts from The N.C. League of Municipalities, staff is including a 4.6% increase in total utility tax revenue in FY 2008-09.

**ABC Revenue:** A portion of net profits from Alcoholic Beverage Control sales in the City of

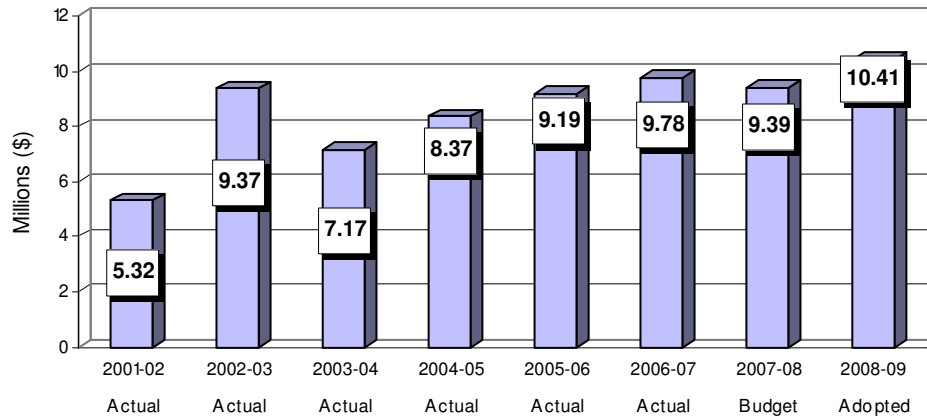
Asheville are divided between the City and Buncombe County. Based on current year trends, the budget includes a 5.8% increase in this revenue.

**State Beer & Wine Tax:** The State shares a portion of the proceeds from beer and wine tax receipts with all local governments in which beer and wine is legally sold. The distribution is based on population. This revenue is expected to increase slightly in FY 2008-09.

**Powell Bill:** North Carolina municipalities receive a portion of the proceeds from the state gasoline tax and the Highway Trust Fund. The money is distributed to municipalities based 75% on population and 25% on local street mileage. Powell Bill funds can only be expended to maintain, repair, or construct local streets.

# GENERAL FUND REVENUES

## CHARGES FOR SERVICE



<u>Charges For Service</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Charges to Other Funds	2,367,665	2,571,356	2,627,495	2,415,865
Employee Insurance Contributions	2,399,744	2,597,801	2,425,000	2,800,000
Parks & Recreation Fees	1,159,473	1,315,493	1,375,310	1,304,850
Recycling Charges	808,945	825,459	411,346	411,346
Fire Protection & Inspections	864,216	978,346	1,133,000	1,544,562
Outside Vehicle Repairs & Fuel	801,227	879,052	879,240	1,241,615
Other	774,064	608,085	543,429	695,043
<b>Total Charges For Service</b>	<b>9,192,295</b>	<b>9,775,592</b>	<b>9,394,820</b>	<b>10,413,281</b>
<b>Percent Change</b>	<b>9.78%</b>	<b>6.35%</b>	<b>-3.90%</b>	<b>10.84%</b>

### Trends & Assumptions

Charges for services are revenues derived from charges for the use of specific general fund services, such as Parks & Recreation programs and curbside recycling. By Council policy, many of these services are partially or fully funded through user charges.

**Charges to Other Funds:** Charges to other funds are transfers to the general fund from other City funds. The transfer amounts are designed to cover the cost of services provided by general fund departments in support of these enterprise fund operations. With water engineering services now being accounted for in the Water Resources Fund instead of the General Fund, this charge to the Water Fund has gone away; therefore the charges to other funds category shows a decrease in FY 2008-09.

**Employee Insurance Contributions:** City employees are charged differing rates based on the type of health insurance coverage they select. For FY 2008-09, the budget is adjusted to reflect collection trends over the last two years.

**Parks & Recreation Fees:** Revenue from parks & recreation fees is expected to remain flat in FY 2008-09.

**Recycling Charges:** The monthly recycling fee was reduced by 50% at the start of FY 2007-08. There is no change to the fee in the adopted budget, therefore this revenue is expected to remain flat in FY 2008-09.

## GENERAL FUND REVENUES

**Fire Protection & Inspections:** The City's fire department provides fire protection services to the Asheville Suburban Fire District of Buncombe County and the Town of Biltmore Forest. The charge for this service is based on the assessed value of the property being served. In addition, the Fire & Rescue Department provides inspection services and charges a fee for this service. The Fire Department made changes to

the current fee structure which would generate an additional \$230,000 in revenue in FY 2008-09.

**Outside Vehicle Repairs & Fuel:** The City's fleet maintenance division provides fuel and limited repair services to certain governmental units and non-profit agencies, including Mission/St. Joseph's Hospital and the Metropolitan Sewerage District. This revenue is expected to increase by \$360,000 in FY 2008-09. This increase is tied directly to the increase in fuel prices.

## ENTERPRISE FUNDS

Enterprise funds provide public services that are operated in a manner similar to private business, where expenses are primarily financed by revenues derived from user charges. The City of Asheville's annual operating budget includes the following enterprise funds:

**Water Resources Fund:** This fund accounts for water and sewer services in the City of Asheville. The utility rate structure is designed to produce sufficient revenues to cover all operating expenses including debt service and maintenance of adequate working capital.

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b>Expenditures:</b>				
Salaries & Wages	3,729,029	4,410,304	5,285,035	<b>5,849,869</b>
Fringe Benefits	1,351,543	1,634,334	1,915,343	<b>2,115,495</b>
Operating Costs	9,171,924	7,859,419	9,364,444	<b>8,765,701</b>
Debt Service	3,893,095	4,954,448	5,279,698	<b>7,648,970</b>
Capital Outlay	<u>4,032,214</u>	<u>11,231,052</u>	<u>8,504,870</u>	<u><b>10,991,074</b></u>
Total	22,177,805	30,089,287	30,349,390	<b>35,371,109</b>
FTE Positions	116.00	134.00	152.00	<b>152.00</b>
<b>Revenues:</b>				
Charges For Service	23,881,117	30,406,152	30,119,840	<b>30,974,000</b>
Investment Earnings	388,859	940,606	195,000	<b>800,000</b>
Appropriated Fund Balance	0	0	0	<b>3,557,559</b>
Miscellaneous	<u>139,913</u>	<u>90,745</u>	<u>34,550</u>	<u><b>39,550</b></u>
Total	24,409,889	31,437,503	30,349,390	<b>35,371,109</b>

**Transit Services Fund:** This fund is established to account for the provision of public transit services within the City of Asheville. The City's Engineering Department manages and administers transit operations.

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b>Expenditures:</b>				
Salaries & Wages	75,068	87,507	79,030	<b>131,149</b>
Fringe Benefits	20,176	23,723	22,051	<b>41,050</b>
Operating Costs	3,677,002	4,174,621	4,381,256	<b>4,720,936</b>
Operating Pass Through	60,266	0	487,500	<b>502,125</b>
Capital Outlay	<u>4,203</u>	<u>4,024</u>	<u>0</u>	<u><b>0</b></u>
Total	3,836,715	4,289,875	4,969,837	<b>5,395,260</b>
FTE Positions	2.00	2.00	3.00	<b>3.00</b>
<b>Revenues:</b>				
Operating Revenue	729,448	658,914	791,255	<b>796,755</b>
Miscellaneous	2,540	943	0	<b>0</b>
Federal/State Grants	2,008,935	2,374,658	1,840,401	<b>1,848,527</b>
Operating Pass Through	60,266	0	487,500	<b>502,125</b>
General Fund Subsidy	813,485	1,046,596	1,275,565	<b>1,566,197</b>
Parking Fund Subsidy	0	248,116	248,116	<b>248,116</b>
Transfer from Capital Fund	0	0	0	<b>100,000</b>
Motor Vehicle License Fee	<u>180,166</u>	<u>308,638</u>	<u>327,000</u>	<u><b>333,540</b></u>
Total	3,794,840	4,637,865	4,969,837	<b>5,395,260</b>

## ENTERPRISE FUNDS

**Parking Services Fund:** This fund accounts for the parking facilities and meters owned and operated as enterprises of the City of Asheville. Operations include three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

	2005-06	2006-07	2007-08	2008-09
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	349,718	353,966	500,042	614,840
Fringe Benefits	124,654	127,650	175,776	213,742
Operating Costs	413,708	545,772	971,167	869,779
Contingency (Future Decks)	--	--	459,554	0
Debt Service	607,658	603,519	731,945	500,000
Transfer to Transit Fund	0	248,116	248,116	248,116
Capital Outlay	<u>64,189</u>	<u>14,500</u>	<u>507,400</u>	<u>653,223</u>
Total	1,559,927	1,893,523	3,594,000	3,099,700
FTE Positions	15.00	17.00	19.00	19.00
<b>Revenues:</b>				
Garage Revenues	1,097,383	1,293,317	1,377,000	1,417,000
Parking Meters	913,212	919,411	950,000	932,000
Parking Violations	253,749	544,407	570,000	570,200
Parking Lots & Peripheral	118,926	109,639	137,000	129,500
Lease-Purchase Proceeds	0	0	500,000	0
Other	<u>90,331</u>	<u>60,247</u>	<u>60,000</u>	<u>51,000</u>
Total	2,473,601	2,927,021	3,594,000	3,099,700

**Civic Center Fund:** This fund accounts for the operation of the City of Asheville Civic Center, which is used for concerts, family shows, trade shows, and sporting events. This fund is supported by a general fund subsidy of \$397,989.

	2005-06	2006-07	2007-08	2008-09
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	778,104	809,055	785,771	900,444
Fringe Benefits	208,703	233,074	240,635	294,843
Operating Costs	932,752	930,751	932,292	908,127
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,919,559	1,972,880	1,958,698	2,103,414
FTE Positions	17.75	17.00	17.51	17.51
<b>Revenues:</b>				
Food & Beverage Sales	497,070	588,432	482,000	587,580
Rent	619,707	571,361	584,500	618,595
Admissions & Other Sales	340,840	319,339	372,500	373,850
Capital Maintenance Fee	64,651	71,511	65,000	66,900
Investment Earnings	20,832	83,723	20,000	55,000
Other	<u>2,036</u>	<u>4,824</u>	<u>3,500</u>	<u>3,500</u>
Subtotal Operations	1,545,136	1,639,190	1,527,500	1,705,425
General Fund Subsidy	374,423	413,340	431,198	397,989
Total	1,919,559	2,052,530	1,958,698	2,103,414

# ENTERPRISE FUNDS

***Festivals Fund:*** This fund accounts for the direct salary & operating costs associated with City-produced festivals such as Bele Chere, First Night, the Fourth of July, and the Film Festival.

	2005-06	2006-07	2007-08	2008-09
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	167,505	176,744	189,127	124,491
Fringe Benefits	48,694	50,227	64,795	39,420
Operating Costs	972,647	1,083,195	939,006	943,770
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,188,846	1,310,166	1,192,928	1,107,681
FTE Positions	5.00	4.50	4.75	4.75
<b>Revenues:</b>				
Sponsorships	192,000	263,298	260,000	308,266
Beverages	293,557	221,288	283,290	281,290
Vendor Fees & Booths	196,248	174,841	194,750	197,750
Souvenirs	63,302	35,325	53,000	41,000
Tickets/Events	137,677	169,791	132,266	101,000
General Fund Subsidy	100,000	0	253,922	162,675
Other	<u>14,411</u>	<u>22,501</u>	<u>15,700</u>	<u>15,700</u>
Total	997,195	887,044	1,192,928	1,107,681

***Stormwater Utility Fund:*** The Stormwater Fund was a new fund in FY 2005-06. It accounts for revenues and expenditures associated with the City's expanded stormwater maintenance program, which was put in place to meet federally-mandated requirements.

	2005-06	2006-07	2007-08	2008-09
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	622,001	930,384	1,279,002	1,464,339
Fringe Benefits	225,171	343,161	389,239	467,744
Operating Costs	729,912	754,383	1,006,713	867,000
Debt Service	39	51,251	75,000	150,000
Capital Outlay	<u>448,585</u>	<u>189,978</u>	<u>283,450</u>	<u>355,300</u>
Total	2,025,708	2,269,157	3,033,404	3,304,383
FTE Positions	23.00	30.00	32.00	32.00
<b>Revenues:</b>				
Charges For Service	2,356,828	2,795,945	2,402,504	2,707,383
Licenses & Permits	0	239,386	184,000	287,000
Lease-Purchase Proceeds	215,000	6,286	121,900	280,000
Investment Earnings	-2,424	32,319	5,000	30,000
Appropriated Fund Balance	<u>0</u>	<u>0</u>	<u>320,000</u>	<u>0</u>
Total	2,569,404	3,073,936	3,033,404	3,304,383

# ENTERPRISE FUNDS

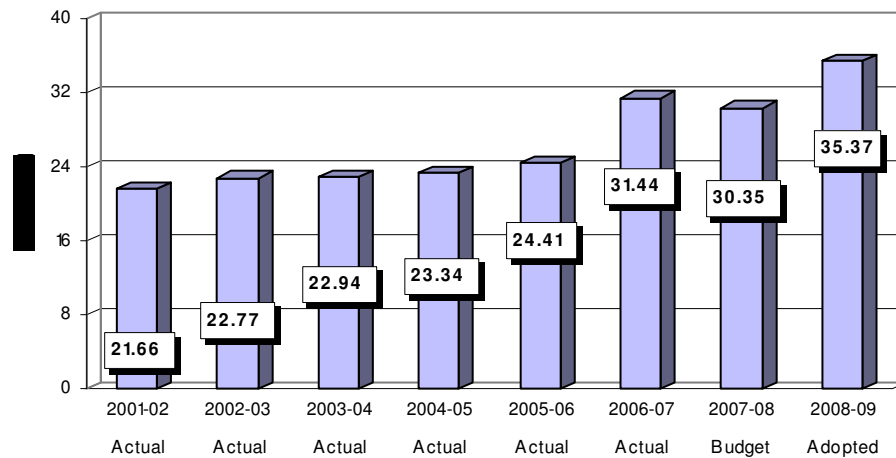
**Golf Fund:** The City took over operation of the Municipal Golf course in FY 2005-06.

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b>Expenditures:</b>				
Salaries & Wages	389,403	435,721	446,009	<b>507,274</b>
Fringe Benefits	133,957	142,898	135,172	<b>174,127</b>
Operating Costs	353,650	375,003	460,319	<b>483,300</b>
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	877,010	953,622	1,041,500	<b>1,164,701</b>
FTE Positions	13.75	14.00	14.00	<b>14.00</b>
<b>Revenues:</b>				
Pro Shop Sales	44,958	44,363	80,000	<b>58,000</b>
Membership Fees	150,782	164,891	155,000	<b>206,000</b>
Snack Bar	74,406	71,914	75,000	<b>80,000</b>
Equipment Rental	266,786	258,377	280,000	<b>275,000</b>
Green Fees	302,313	354,492	450,000	<b>470,000</b>
Other	<u>2,893</u>	<u>2,215</u>	<u>1,500</u>	<u>0</u>
Subtotal Operations	842,138	896,252	1,041,500	<b>1,089,000</b>
General Fund Subsidy	73,714	0	0	<b>75,701</b>
Total	915,852	896,252	1,041,500	<b>1,164,701</b>



# ENTERPRISE FUND REVENUES

## WATER RESOURCES FUND REVENUE



<u>Water Resources Revenue</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Utility Charges	19,935,367	20,221,753	20,100,000	20,904,000
Other Operating Revenue	4,085,663	4,205,673	4,054,390	4,109,550
Capital Maintenance Fee	0	6,069,461	6,000,000	6,000,000
Appropriated Fund Balance	--	--	--	3,557,559
Investment Earnings	388,859	940,606	195,000	800,000
<b>Total Water Resources Revenue</b>	<b>24,409,889</b>	<b>31,437,503</b>	<b>30,349,390</b>	<b>35,371,109</b>
<b>Percent Change</b>	<b>4.72%</b>	<b>28.79%</b>	<b>-34.61%</b>	<b>16.55%</b>

### Trends & Assumptions

Water revenue is derived from fees and service charges assessed to residential and commercial customers of the regional water system. Water revenue is influenced by fee changes, population growth, water consumption patterns, local economic conditions, and weather.

**Utility Charges:** The FY 2008-09 budget includes a 4% increase in water rates, which will generate approximately \$800,000 in additional revenue.

**Capital Maintenance Fee:** This is a capital improvements fee similar to MSD's Meter/Maintenance Charge. The purpose of this fee is to provide funding for major capital improvements such as water line replacements and water treatment source improvements. It is a

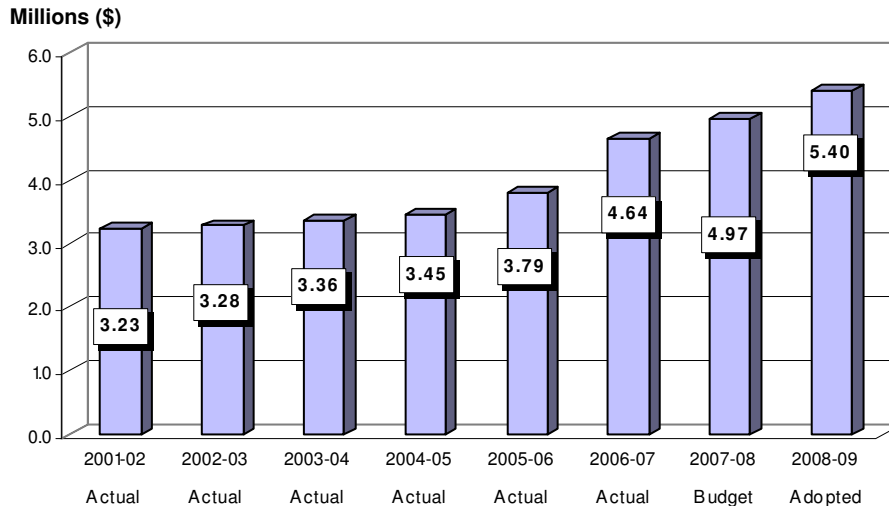
charge based on the size of the meter. Based on collection trends over the last two years, no change is budgeted in this revenue in FY 2008-09.

**Other Revenue:** Investment earnings reflect earnings on cash fund balances. The budget for investment earnings is adjusted upward to reflect the higher earnings received over the last two fiscal years.

A slight increase is budgeted in other operating revenue, which includes development fees, tap and connection fees, fire line charges, reconnection and delinquency fees and other miscellaneous revenue.

# ENTERPRISE FUND REVENUES

## TRANSIT SERVICES FUND REVENUE



	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
<b><u>Transit Services Revenue</u></b>				
Federal/State Grants	2,069,201	2,374,658	2,327,901	2,350,652
General Fund Subsidy	813,485	1,046,596	1,275,565	1,566,197
Parking Fund Subsidy	0	248,116	248,116	248,116
Passenger Fares	729,448	658,914	791,255	796,755
Motor Vehicle License Fee	180,166	308,638	327,000	333,540
Other	2,540	943	0	100,000
<b>Total Transit Revenue</b>	<b>3,794,840</b>	<b>4,637,865</b>	<b>4,969,837</b>	<b>5,395,260</b>
<b>Percent Change</b>	<b>10.00%</b>	<b>22.22%</b>	<b>7.16%</b>	<b>8.56%</b>

### Trends & Assumptions

Transit Fund revenue is derived from three primary sources: federal & state grant funding, local tax support, and passenger charges.

**Federal & State Grants:** The Transit Fund receives grant funding from the federal Transit Administration and the North Carolina Department of Transportation. Revenue from federal and state grants represents 44% of the fund's total revenue. Increases in state grant funding are offset by a \$160,000 decrease in funding from the federal government. As a result the federal/state grant revenue category shows almost no increase over FY 2007-08.

**Local Tax Support:** This category includes both the general fund subsidy and the motor vehicle license fee. The general fund subsidy to the transit services fund is budgeted to increase by approximately \$290,000 in FY 2008-09. The City also levies an annual registration fee of \$10 on all motor vehicles owned by City residents. The

revenue generated from this fee goes to support the transit fund to support operations. Local tax support provides 35% of total transit fund revenue.

**Parking Fund Subsidy:** In the FY 2006-07 budget, funding was included in the Transit Services Fund to expand the hours of operation for city buses and to initiate a limited-time fare free program. These new transit initiatives were funded with a \$248,116 transfer from the Parking Services Fund. This transfer was continued in FY 2007-08, and staff is recommending that this transfer continue in FY 2008-09.

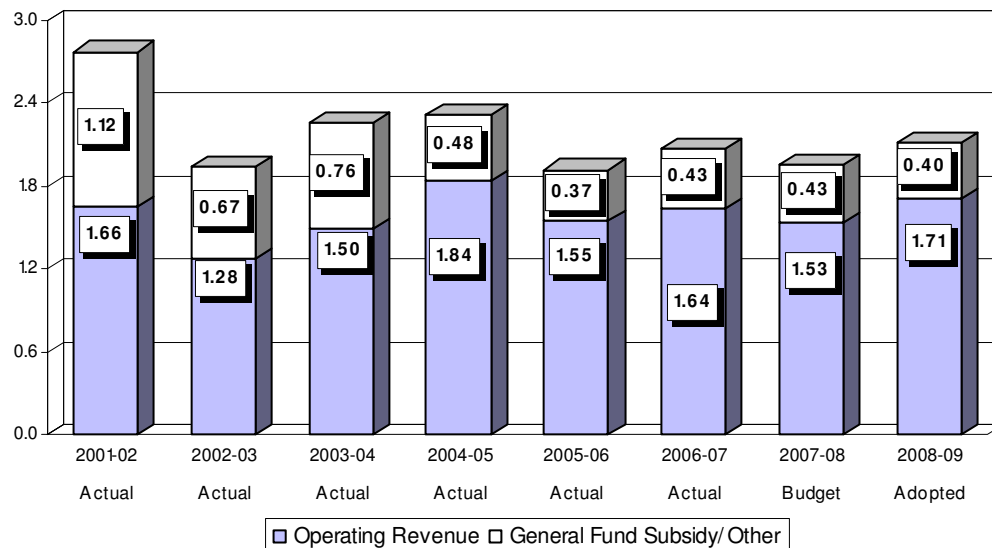
**Passenger Fares:** Charges to transit riders provides 15% of total fund revenue. This revenue is expected to remain flat in FY 2008-09.

**Other:** This revenue category includes \$100,000 in FY 2008-09 that will be transferred from the Transit Capital Fund.

# ENTERPRISE FUND REVENUES

## CIVIC CENTER FUND REVENUE

Millions (\$)



	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
<b><u>Civic Center Revenue</u></b>				
Food & Beverage Sales	497,070	588,432	482,000	587,580
Rent	619,707	571,361	584,500	618,595
Admissions & Other Sales	340,840	319,339	372,500	373,850
Other	87,519	160,058	88,500	125,400
<b>Total Operating Revenue</b>	1,545,136	1,639,190	1,527,500	1,705,425
<b>Percent Change</b>	-15.89%	6.09%	-6.81%	11.65%
<b>General Fund Subsidy</b>	374,423	413,340	431,198	397,989
<b>Total Civic Center Revenue</b>	1,919,559	2,052,530	1,958,698	2,103,414

### Trends & Assumptions

The Civic Center receives operating revenue from the sale of food and beverages, rental fees charged to the users of the facility, and from various other charges including facility fees and staffing reimbursements. Operating revenue is supplemented with support from the City's general fund.

**Operating Revenue:** Operating revenue shows a budget-to-budget increase of 11.6%. The FY 2008-09 revenue budget is adjusted to reflect trends observed during FY 2006-07 and FY 2007-08. Operating revenue remains consistent due to continued strong bookings and high attendance at events.

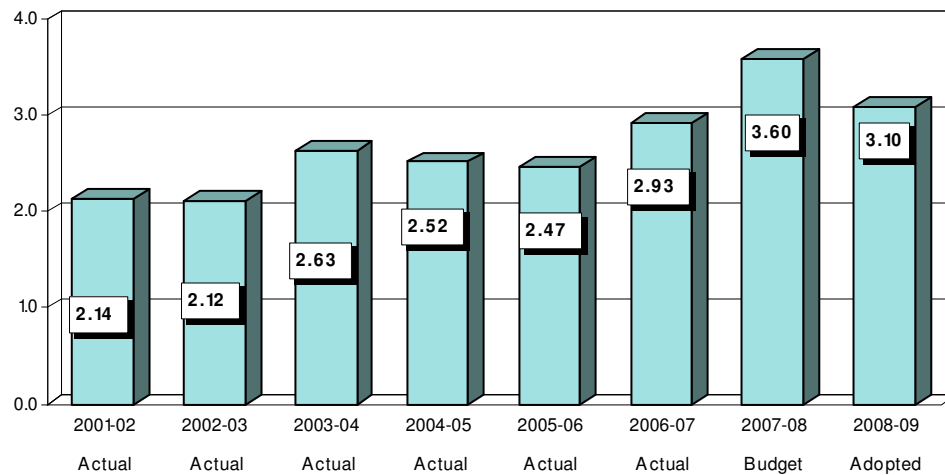
**General Fund Subsidy:** This strong performance in operating revenue has allowed the Center to operate at a substantially lower loss over the last several fiscal years. As such, the General Fund subsidy has remained in the \$400,000 range over the last five years. In the years prior to that, the operating deficit had routinely exceeded \$700,000.

The general fund subsidy for FY 2008-09 shows a decrease of \$33,209.

# ENTERPRISE FUND REVENUES

## PARKING SERVICES FUND REVENUES

Millions (\$)



<u>Parking Services Revenue</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Garage Revenue	1,097,383	1,293,317	1,377,000	1,417,000
Parking Meters	913,212	919,411	950,000	932,000
Parking Violations	253,749	544,407	570,000	570,200
Parking Lots & Peripheral Parking	118,926	109,639	137,000	129,500
Debt Proceeds	0	0	500,000	0
Other	<u>90,331</u>	<u>60,247</u>	<u>60,000</u>	<u>51,000</u>
<b>Total Parking Services Revenue</b>	2,473,601	2,927,021	3,594,000	3,099,700
<b>Percent Change</b>	-1.98%	18.33%	22.79%	-13.75%

### Trends & Assumptions

The Parking Services Fund operates three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

**Garage Revenue:** The Budget includes additional revenue from the change to the maximum all day fee that Council adopted in April.

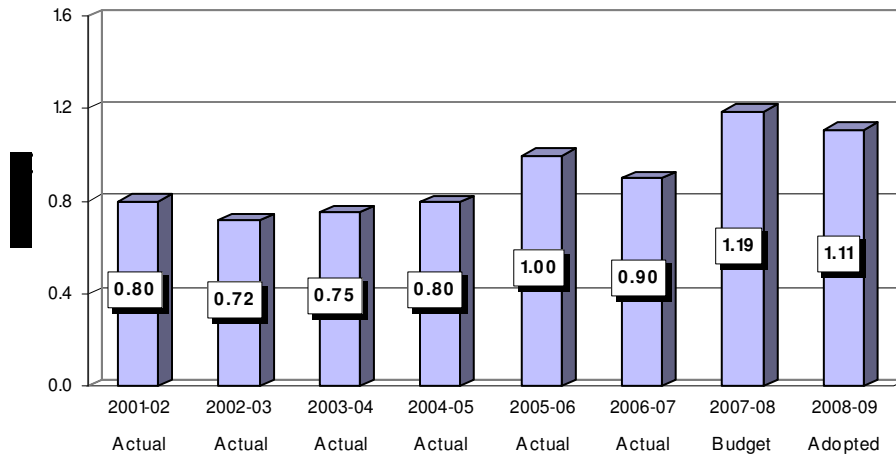
**Parking Meters & Parking Violations:** Based on prior year collections, a slight decrease is budgeted in revenue from parking meters.

**Debt Proceeds:** The FY 2007-08 budget included \$500,000 in debt proceeds to fund the replacement of gate equipment in the City garages.

# ENTERPRISE FUND REVENUES

## FESTIVALS FUND REVENUES

Millions (\$)



<u>Festivals Revenue</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Sponsorships	192,000	263,298	260,000	308,266
Beverages	293,557	221,288	283,290	281,290
Vendor Fees & Booths	196,248	174,841	194,750	197,750
Souvenirs	63,302	35,325	53,000	41,000
Tickets/Events	137,677	169,791	132,266	101,000
General Fund Subsidy	100,000	0	253,922	162,675
Other	<u>14,411</u>	<u>22,501</u>	<u>15,700</u>	<u>15,700</u>
<b>Total Festivals Revenue</b>	997,195	887,044	1,192,928	1,107,681
<b>Percent Change</b>	25.16%	-11.05%	34.48%	-7.15%

### Trends & Assumptions

The Festivals Fund was created in FY 2001-02 to account for revenues and expenditures associated with City-produced festivals, such as Bele Chere and the Film Festival.

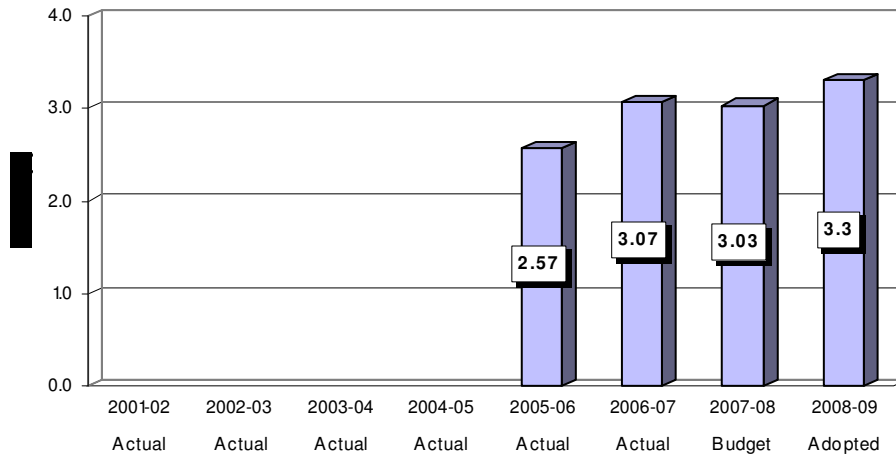
**Operating Revenue:** Operating revenue is expected to remain flat in FY 2008-09.

**General Fund Subsidy:** A general fund subsidy of \$162,675 is included to support the costs of the Festivals staff. This subsidy is reduced from FY 2007-08 because more cultural arts staff is being directly accounted for in the General Fund.

# ENTERPRISE FUND REVENUES

## STORMWATER FUND REVENUES

Millions (\$)



<u>Stormwater Revenue</u>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Adopted</b>
Utility Charges	2,356,828	2,795,945	2,402,504	<b>2,707,383</b>
Licenses & Permits	0	239,386	184,000	<b>287,000</b>
Lease-Purchase Proceeds	215,000	6,286	121,900	<b>280,000</b>
App. Fund Balance	--	--	320,000	<b>0</b>
Other	<u>-2,424</u>	<u>32,319</u>	<u>5,000</u>	<b><u>30,000</u></b>
<b>Total Stormwater Revenue</b>	<b>2,569,404</b>	<b>3,073,936</b>	<b>3,033,404</b>	<b>3,304,383</b>
<b>Percent Change</b>		<b>19.5%</b>	<b>-1.3%</b>	<b>8.9%</b>

### Trends & Assumptions

The Stormwater Fund was created in FY 2005-06 to account for revenues and expenditures associated with the City's federally mandated stormwater program.

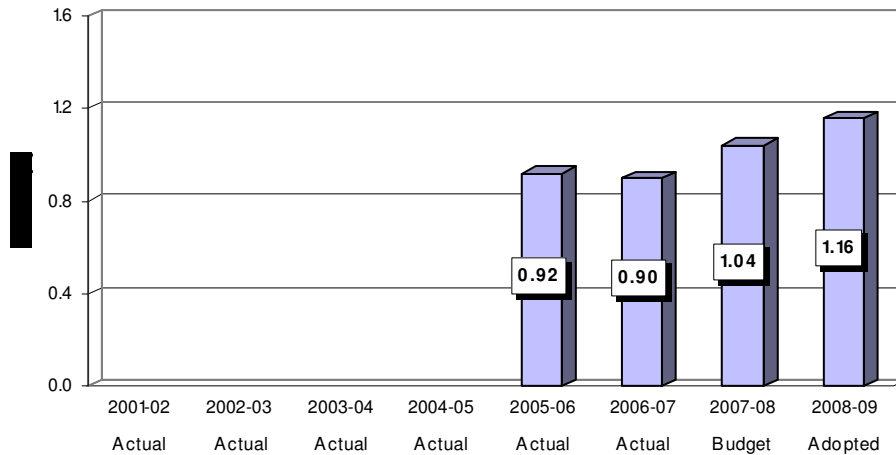
**Licenses & Permits:** The FY 2008-09 budget is adjusted to reflect collection in FY 2006-07 and fee increases adopted by Council in April.

**Utility Charges:** Based on utility charge revenue collected during FY 2006-07 and trends observed through the first nine months of the current fiscal year, staff is budgeting \$2.7 million in utility charge revenue for FY 2008-09.

# ENTERPRISE FUND REVENUES

## GOLF FUND REVENUES

Millions (\$)



<u>Golf Revenue</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Pro Shop Sales	44,958	44,363	80,000	58,000
Membership Fees	150,782	164,891	155,000	206,000
Snack Bar	74,406	71,914	75,000	80,000
Equipment Rental	266,786	258,377	280,000	275,000
Green Fees	302,313	354,492	450,000	470,000
Other	2,893	2,215	1,500	0
General Fund Subsidy	<u>73,714</u>	<u>0</u>	<u>0</u>	<u>75,701</u>
<b>Total Golf Revenue</b>	915,852	896,252	1,041,500	1,164,701
<b>Percent Change</b>		-2.2%	15.6%	11.5%

### Trends & Assumptions

The Golf Fund was created in FY 2005-06 when the City assumed operation of the Municipal Golf Course from Buncombe County as a part of the Water Agreement termination.

**Operating Revenues:** The budget includes additional revenue from increases to the

passholder fees and greens fees that Council approved in April.

**General Fund Subsidy:** Even with the Council-approved fee increases, a \$75,701 General Fund subsidy is required to balance the FY 2008-09 budget.

